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C O N F I D E N T I A L SECTION 01 OF 02 PRETORIA 003448

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TAGS: [PGOV](#) [PREL](#) [PINR](#) [KDEM](#) [SF](#)
SUBJECT: ZUMA ALLY UPBEAT ON ANC ELECTION

REF: A. 06 PRETORIA 4593 AND PREVIOUS

[1](#)B. PRETORIA 3378

[1](#)C. PRETORIA 2817

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Classified By: Deputy Chief of Mission Donald Teitelbaum. Reasons 1.4(b) and (d).

[1](#)1. (C) SUMMARY. Jacob Zuma will likely win the ANC presidency at the upcoming December party conference, claimed informal Zuma advisor Mo Shaik. An optimistic Shaik suggested that the tide has shifted toward Zuma, that Mbeki is increasingly isolated, and that neither Tokyo Sexwale nor Cyril Ramaphosa has a chance. Shaik even went as far as to suggest that Zuma is looking for an "honorable exit" for Mbeki, perhaps even before Mbeki's term as national president ends in 2009. Shaik, who requested the meeting with PolOff, sought to reassure the "U.S. Administration" that Zuma would continue Mbeki's core economic policies, albeit with a "deeper understanding of the developmental state," citing the Irish model of economic development. A Zuma administration would focus more on domestic policy and would not "punch so far above its weight" on international issues of little direct interest to the country. While the Zuma camp may be upbeat for the moment, we believe the succession battle is still in its early stages and that Shaik's "prediction" of a Zuma victory in December is premature. END SUMMARY.

[1](#)2. (C) PolOff met with Mo Shaik, unofficial advisor to ANC Deputy President Jacob Zuma, on September 26, at Shaik's request. (BIO NOTE: A former ANC and SAG intelligence official and diplomat, Shaik is the brother of Shabir Shaik, who is serving a 15-year sentence on corruption and fraud charges stemming from his "corrupt relationship" with Zuma (ref A). Shaik is now managing the remnants of his brother Shabir's business empire and moves between Durban and Pretoria. Shaik and Zuma were colleagues in ANC intelligence during the anti-apartheid struggle, and we believe Shaik is part of Zuma's inner circle. According to Shaik, he and Zuma speak frequently on political and policy issues. END NOTE.)

Optimistic on ANC Election

[1](#)3. (C) A visibly buoyant Shaik claimed that Zuma will win the ANC election as party president at the upcoming congress in December. While not yet a "sure thing," Shaik believes the "tide has shifted" toward Zuma, claiming that even people in Mbeki's camp are beginning to realize the game is up. He

characterized Mbeki as being in a "siege mentality," lashing out at his opponents. Shaik pointed to the recent dismissals of National Prosecuting Authority (NPA) head Pikoli (ref B) and DepHealthMin Madlala-Routledge (ref C) as signs of Mbeki's increasing isolation. Shaik believes that Mbeki fired Pikoli because he did not move fast enough to refile charges against Zuma.

¶4. (C) For the upcoming ANC elections, Shaik dismissed the prospects for businessmen Tokyo Sexwale (a party "lightweight") and Cyril Ramaphosa ("always runs from a fight"). He said that Ramaphosa could play a role later, but "that is for 2012, not 2007." Shaik hinted strongly that Zuma would want to include Ramaphosa in his government, "grooming" him for leadership.

¶5. (C) Shaik believes it is possible that the NPA will charge Zuma with corruption before December, but said such a move would play into Zuma's hands. The ANC electorate would view an indictment as a blatant political attack on Zuma, especially coming just prior to the ANC conference. Shaik also noted that many legal issues in the Zuma corruption matter remain unresolved, such as the Supreme Court's ruling on whether to admit evidence seized in controversial police searches and the final Constitutional Court decision on the Shabir Shaik case.

"Honorable Exit" for Mbeki?

¶6. (C) If Zuma wins the ANC presidency, Shaik noted that 2008 could be a very "awkward" period since Mbeki would remain national president until the 2009 elections. The Zuma camp understands, Shaik said, that they will have to find a "honorable exit" for Mbeki. They are looking at the "Blair

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option" (making Mbeki a special envoy for a conflict area like Sudan) or perhaps urging the G-8 to appoint Mbeki their point person for the Africa Action Plan. Shaik even suggested that the best time for Mbeki's exit would be early 2008, soon after his defeat at the ANC conference and well in advance of the national elections. (COMMENT: We believe it unlikely that Mbeki would be willing to bow out early, even if he loses the ANC presidency. END COMMENT.)

Campaign to Reassure International Community

¶7. (C) Some Mbeki allies are threatened by the prospect of a Zuma presidency, Shaik said, particularly those who have benefited economically in the Mbeki era. These people are "scaremongers" and are pushing the story that Zuma will pursue socialist economic policies and could even become another Hugo Chavez. Shaik went as far as to suggest that some people (NFI) so strongly oppose the idea of a Zuma presidency that Zuma's personal security could be at risk. The Zuma camp has tightened the security circle around Zuma in recent months.

¶8. (C) Shaik said that Zuma wanted the U.S. Administration to know that Zuma will not make major changes in South Africa's economic policies. Zuma wants to "deepen the understanding" of the developmental state, but looks to Ireland -- not Venezuela -- as his model. Job creation and service delivery will be the hallmarks of Zuma's economic policy, Shaik claimed. Zuma's team will be less academic than Mbeki's, but more practical and focused.

¶9. (C) Zuma is explicitly reaching out to the business community to reassure them about his plans and "calm the markets," Shaik said. As reported in the September 24 Financial Times (Shaik hinted he was the source of the story), Zuma met with a group of businesses, organized by

Citigroup, September 26 (septel) and will reach out to other companies. Shaik expects that Zuma will do an expanded interview with the Financial Times in the next two weeks and will speak at an October 24 Merrill Lynch conference in Johannesburg. He may use the Merrill Lynch event to roll out some of his economic plans, although Shaik noted that Zuma cannot move too far from the ANC party platform.

¶10. (C) On foreign policy, Shaik suggested that a Zuma administration will focus more on South Africa's "core interests" and stop "punching so far above its weight." Zuma would devote more time to domestic issues and less to foreign travel.

Comment

¶11. (C) We believe Shaik's comments reflect spin more than surety. As we have reported, it remains too early to speculate accurately on the outcome of the ANC elections in December. We note that Zuma's attempt to reach out to the business community could put him at odds with his core constituencies in the party -- labor, the South African Community Party (SACP), and the ANC Youth League, all of whom want Zuma to move the country to the left economically.
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